

**Mixed Assets  
Market Review**

US equities were mixed to positive in January 2026 as markets navigated geopolitical uncertainty and a brief partial US government shutdown. The Dow Jones gained 1.7% month-on-month (MoM), while the technology-heavy Nasdaq and S&P 500 was up 0.9% MoM and 1.4% MoM respectively, with technology stocks supported by earnings that indicated robust momentum in AI demand. The US 10-year Treasury yield rose 6.9 basis points (bps) to 4.24% while the US dollar index (DXY) fell to 97.0. December's unemployment rate was recorded at 4.4%, reinforcing a steady labour market. The Federal Reserve (Fed) kept interest rates steady at 3.50%–3.75% in January and signalled it is in no rush to cut, maintaining a data-dependent stance after three consecutive reductions in late 2025.

In Europe, the market faced potential trade disruptions from newly announced 10% US tariffs on eight European countries over Greenland, effective 1 February. Despite this, EuroStoxx50 grew 2.7%, the IMF upgraded its 2026 global growth outlook to 3.3% supported by an ongoing AI investment boom, while the World Bank raised its forecast to 2.6%. Japan's Nikkei 225 rose 5.9% MoM, initially driven by expectations of political stability from a snap election, though it later faced pressure from rising interest rates and a stronger JPY (+1.2% MoM).

In Asia, the MSCI Asia ex-Japan Index surged 8.2% MoM, marking its third-best start to a year this century. Performance was led by South Korea's KOSPI, which rose 24.0% MoM on a continued rally in memory names despite a stall in broader global AI stocks. Taiwan's TWSE climbed 10.7% MoM as TSMC committed to USD 52–56 billion in 2026 capital expenditure to support AI compute growth. Hong Kong's Hang Seng and HSCEI also advanced 6.9% MoM and 4.5% MoM. These rallies reflected strong AI technology spending and improving macro backgrounds across the region. However, India's SENSEX fell 3.5% MoM due to persistent foreign outflows, currency weakness, and an oil price spike.

Domestically, Malaysian equities posted gains in January 2026, with the FBM KLCI rising 3.6% MoM to close at 1,740 points and touching an intraday peak of 1,771 on 27 January. The FBM Mid 70 rose 4.2% MoM, and FBM Top 100 was up 3.8% MoM. This was driven by strong performance of the finance sector (+9.2%) on the back of improving domestic fundamentals, foreign inflow and governance reforms. 4Q2025 advance GDP growth of 5.7% was also better than expected. Property (+9.3%), finance (+9.2%), and REIT (+5.8%) sectors led the advance, while the underperformers were healthcare (-2.5%), construction (-2.2%), and energy (-1.1%). Key highlights included foreign investors turning net buyers of RM1.05 billion, while Bank Negara Malaysia (BNM) kept the Overnight Policy Rate (OPR) unchanged at 2.75%. The Ringgit hit a 7-year high, strengthening 3.33% to RM3.9237/US\$1.

On commodities, Brent Crude jumped 16.2% MoM to approximately USD 70.7 per barrel in January, fuelled by escalating tensions related to Iran and production disruptions from US winter storms. Gold hit record highs, surging past USD 5,500/oz amid concerns over geopolitical risks and Fed independence. Crude palm oil (CPO) prices were range-bound, averaging near RM 4,229/MT, as the market balanced seasonal output against a stronger Ringgit.

On the fixed income front, the Malaysian Government Securities (MGS) market traded marginally firmer, supported by stable monetary policy, alongside continued strengthening of the Ringgit (MYR) to its strongest level since April 2018. This was reinforced by a robust advance estimate of 4Q2025 GDP growth, while inflation remained well contained at 1.6% year-on-year (YoY) in December despite a modest uptick. Primary government bond auctions remained healthy, with an average oversubscription rate of 2.1 times during the

month. Overall, the 3Y and 10Y MGS yields edged lower by 1 basis point MoM to 3.00% and 3.49%, respectively.

**Mixed Assets  
Market Outlook**

Global growth expectations have been revised upward for 2026, with the IMF upgrading its outlook to 3.3% and the World Bank to 2.6%, citing resilience despite escalating trade tensions. While the US Fed has moved to a more cautious "no rush" stance after keeping interest rates steady at 3.50%–3.75% in January, liquidity remains supported by a weaker US dollar and the ongoing AI thematic, which continues to be a primary driver of global equity sentiment. Meanwhile, UST markets are expected to remain volatile in the near term, with yield movements driven by evolving policy expectations, fiscal and supply dynamics, and heightened geopolitical uncertainties.

Malaysia's growth prospects have improved following a better-than-expected 4Q2025 advance GDP growth of 5.7%, which brought full-year 2025 growth to an estimated 4.9%. An investment upcycle, particularly in data centres and projects under the 13th Malaysia Plan alongside resilient domestic consumption continues to underpin improving prospects for the year.

Inflation is projected to stay well contained within the 1.3%–2.0% range, amid easing global cost pressures and anchored domestic price dynamics. Within this stable macro backdrop, BNM is widely expected to keep the OPR unchanged at 2.75% for 2026. Looking ahead, the local bond market is expected to remain well supported by steady reinvestment demand and ample domestic liquidity, although global monetary developments and external market conditions may continue to drive short-term volatility.

**Mixed Assets Fund  
Strategies**

Key investment themes include hyperscaler-driven infrastructure spending, multi-year capex in utilities and renewable energy, and major infrastructure projects spanning rail, water, airports, ports, and highways. Consumer spending is expected to stay resilient, aided by government handouts, Visit Malaysia Year 2026, and medical tourism. Corporate exercises such as IPOs, M&As, and REIT value unlocking add further catalysts. Against this backdrop, a bottom-up stock-picking approach remains critical to capture opportunities in sectors poised for growth.

As for fixed income, we will continue to invest in a diversified portfolio of fixed income securities and other permissible investments. Emphasis is placed on credit-worthy issuers of debt and investment-grade fixed income instruments.

**FUND OBJECTIVE**

Aims to provide income and capital growth over the long-term through investments in Shariah-compliant equities and sukuk.

**Fund Category/Type**

Core (Moderate)

**Launch Date**

18 August 2016

**Trustee**

CIMB Islamic Trustee Berhad

**Benchmark**

Composite of FTSE Bursa Malaysia EMAS Shariah Index (60%) and Maybank 1-Month GIA rate (40%)

**Designated Fund Manager**

Lee Sook Yee

**Sales Charge**

Up to 1.50%

**Annual Management Fee**

1.55% p.a.

**Annual Trustee Fee**

0.02% p.a.

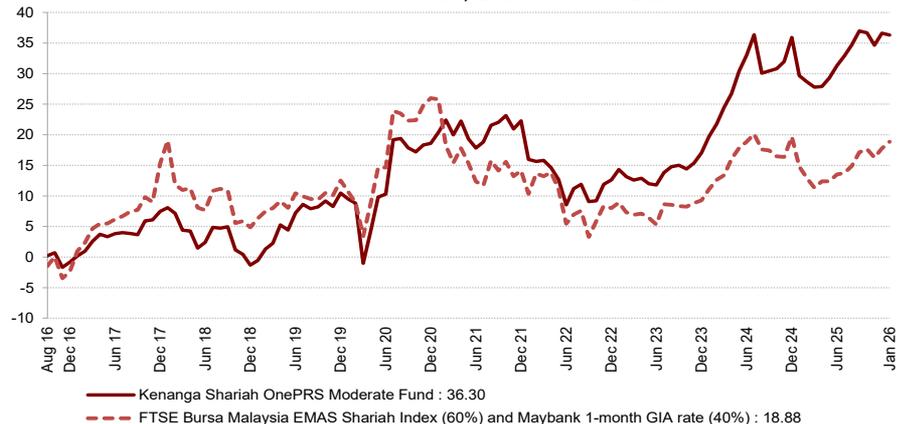
**Redemption Charge**

Nil

All fees and charges payable to the Manager and the Trustee are subject to the goods and services tax /sales and services tax/other taxes of similar nature as may be imposed by the government or other authorities from time to time.

**FUND PERFORMANCE (%)**

% Cumulative Return, Launch to 31/01/2026



Source: Novagni Analytics and Advisory

**CUMULATIVE FUND PERFORMANCE (%)<sup>#</sup>**

Period	Fund	Benchmark
1 month	-0.23	0.96
6 months	2.57	5.43
1 year	5.12	5.36
3 years	19.25	15.17
5 years	13.22	10.85
Since Launch	36.30	18.88

<sup>#</sup> Source: Novagni Analytics and Advisory, 31 January 2026

**CALENDAR YEAR FUND PERFORMANCE (%)<sup>#</sup>**

Period	Fund	Benchmark
2025	0.53	0.21
2024	16.11	9.51
2023	3.92	3.00
2022	-7.90	-4.02
2021	3.12	-1.84

**FUND SIZE \***

RM 1.77 million

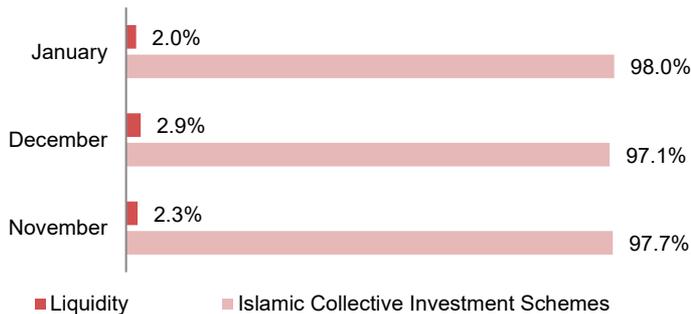
**NAV PER UNIT \***

RM 0.6815

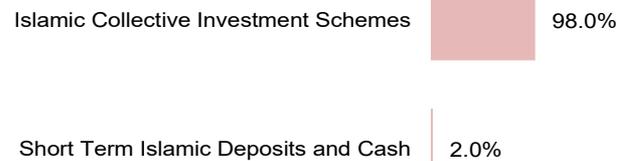
**HISTORICAL FUND PRICE \***

	Since Inception	Date
Highest	RM 0.6904	17-Jul-24
Lowest	RM 0.4658	19-Mar-20

**ASSET ALLOCATION (% NAV) \***



**SECTOR ALLOCATION (% NAV) \***



**TOP EQUITY HOLDINGS (% NAV) \***

1	KENANGA SYARIAH GROWTH FUND	57.0%
2	KENANGA BON ISLAM	41.0%

**DISTRIBUTION HISTORY**

Not Applicable

\* Source: Kenanga Investors Berhad, 31 January 2026

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